

Hospital Profile: NORTH SHORE MEDICAL CENTER

Salem, MA & Lynn, MA
Partners HealthCare System
Community, Disproportionate Share Hospital
Lower North Shore Region

North Shore Medical Center, which includes Salem Hospital and Union Hospital campuses, is a non-profit acute care community hospital. It is the eighth largest hospital in Massachusetts, with 436 staffed beds. It is located in the Lower North Shore region and represents 52% of all acute hospital staffed beds in the region. North Shore Medical Center is a member of the Partners HealthCare system. It qualifies as a Disproportionate Share Hospital (DSH), as more than 63% of its gross patient service revenue is derived from government programs.

PATIENTS Sixty-nine percent of all inpatient cases treated at North Shore Medical Center are from Lynn, Peabody, and Salem.

INPATIENT SERVICES Compared with other community-DSH hospitals, North Shore Medical Center treats a greater proportion of higher-severity cases. In FY12, it accounted for 49% of all inpatient discharges from acute hospitals within the Lower North Shore region. Of note, based on its most common FY12 inpatient cases (DRGs), North Shore Medical Center treated 59% of all Heart Failure cases, 58% of all Septicemia & Disseminated Infection cases, and 57% of all Kidney and Urinary Tract Infection cases in the Lower North Shore region.

FINANCIAL PERFORMANCE North Shore Medical Center's total revenue in FY12 was \$447 million. Its FY12 public payer mix was 70%, higher than the average community-DSH hospital. The FY12 inpatient cost[†] per case mix adjusted discharge was \$11,205, which was approximately 19% higher than the average community-DSH hospital, and the third highest among all community-DSH hospitals. The CY12 average commercial payer price level was at the 72nd percentile, higher than the average community-DSH hospital. It had a loss of \$8.0 million (-1.8% total margin) in FY12, and North Shore Medical Center earned a surplus only in FY08 and FY09 of the FY08 to FY12 period.

AT A GLANCE

TOTAL STAFFED BEDS: 436, 8th largest acute hospital

% OCCUPANCY: 59%, < cohort avg. (61%)

TOTAL REVENUE in FY12: \$447 million

PUBLIC PAYER MIX: 70% (DSH* Hospital)

SPECIAL PUBLIC FUNDING: Not Applicable

TAX STATUS: Non-profit

TRAUMA CENTER DESIGNATION: Adult: Level 3

CY12 COMMERCIAL PAYER PRICE LEVEL: 72nd Percentile

CASE MIX INDEX in FY12: 0.98, > cohort avg. (0.89); < statewide (1.06)

INPATIENT:OUTPATIENT REVENUE in FY12: 40%:60%

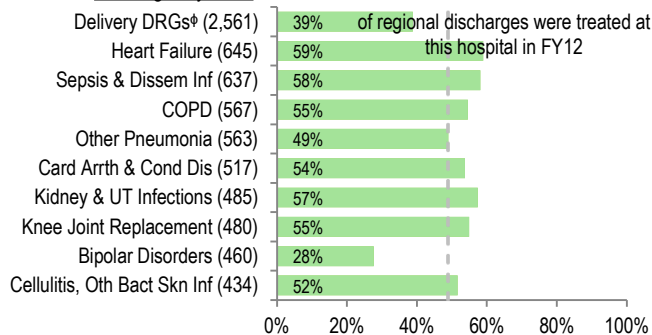
TOTAL MARGIN in FY12: -1.8% (-\$8.0 million)

CHANGE in OWNERSHIP (FY08-FY12): Not Applicable

SERVICES

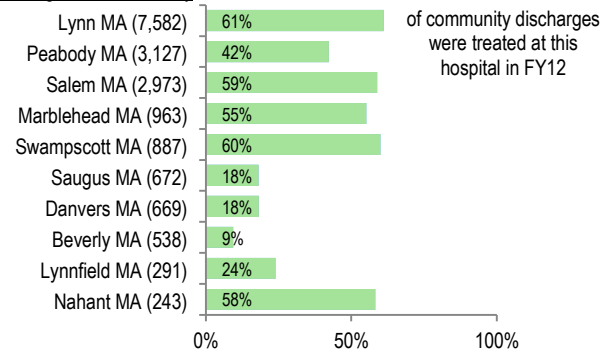
What were the most common inpatient cases (DRGs) treated at the hospital?
What proportion of the region's cases did this hospital treat for each service?

Discharges by DRG



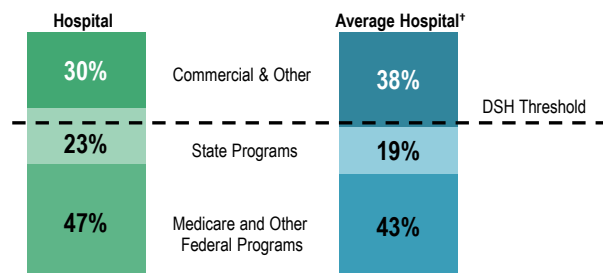
Where did most of the hospital's inpatients reside? What proportion of each community's total discharges were attributed to this hospital?

Discharges by Community



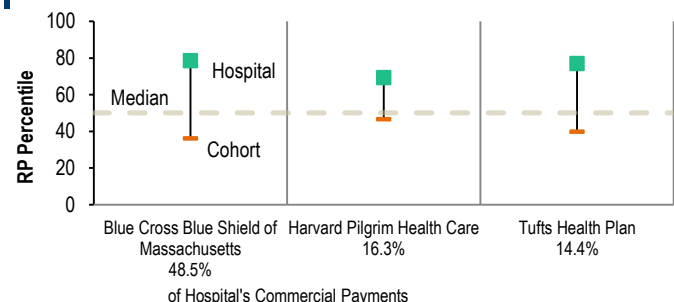
PAYER MIX

What was the hospital's overall payer mix (gross charges) in FY12, and how does this hospital compare to the average acute hospital's payer mix?



Percentage calculations may not sum to 100% due to rounding

What were the hospital's CY12 payer-specific relative price levels for its top three commercial payers? How does this hospital compare to the average hospital in its peer cohort?



For descriptions of the metrics, please see Technical Appendix.

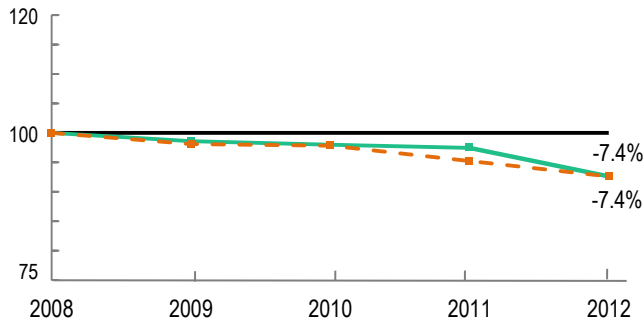
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Cohort: Community, Disproportionate Share

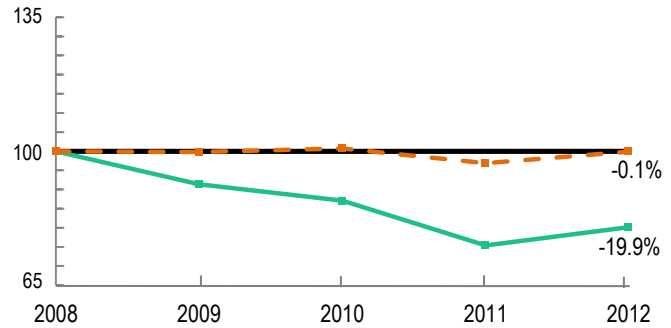


UTILIZATION TRENDS

How has the volume of the hospital's inpatient discharges changed compared to FY08, and how does this hospital compare to the average hospital in its peer cohort? (FY08=100)

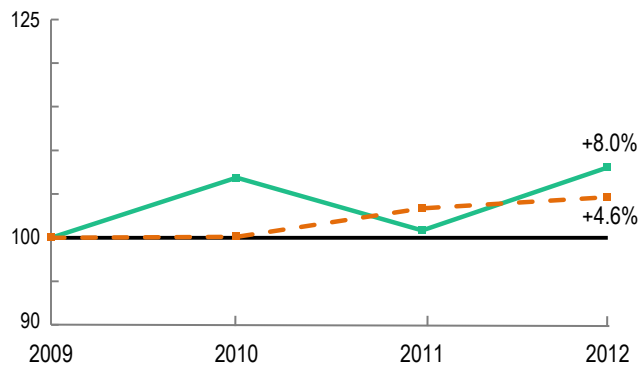


How has the volume of the hospital's outpatient visits changed compared to FY08, and how does this hospital compare to the average hospital in its peer cohort? (FY08=100)



COST TRENDS

How has the hospital's inpatient cost[†] per case mix adjusted discharge changed compared to FY09, and how does this hospital compare to the average hospital in its peer cohort? (FY09=100)



How have the hospital's total outpatient costs changed compared to FY08, and how does this hospital compare to the average hospital in its peer cohort? (FY08=100)

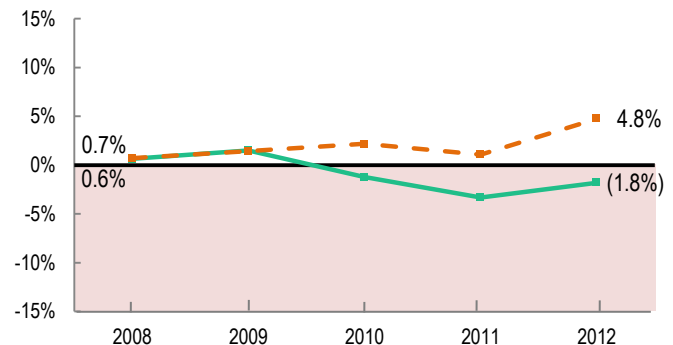


FINANCIAL PERFORMANCE

How have the hospital's total revenue and costs changed between FY08 and FY12?

Revenue, Cost & Profit/Loss (in millions)					
FY	Total Revenue	% Change	Total Cost	% Change	Total Profit/Loss
2008	\$439		\$436		\$2.8
2009	\$440	0.2%	\$433	(0.7%)	\$6.6
2010	\$427	(3.0%)	\$432	(0.3%)	(\$5.2)
2011	\$423	(0.8%)	\$438	1.3%	(\$14.1)
2012	\$447	5.5%	\$455	4.0%	(\$8.0)

What was the hospital's total margin between FY08 and FY12, and how does this compare to the median of its peer cohort hospitals?



For descriptions of the metrics, please see Technical Appendix.

[†] Costs were adjusted to exclude direct medical education costs and physician compensation.

* Disproportionate Share Hospitals (DSH) receive a minimum of 63% of gross patient service revenue from public payers.

* Delivery DRG includes Cesarean and Vaginal Deliveries, and Neonate DRG.

[†] Average Hospital does not include Specialty hospitals.

For more information, please contact:

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